true friend KIS Viet Nam Securities Corporation

Fixed-income Weekly

20 Oct 2025

Fixed-income Perspectives

SBV backs to injection as liquidity demand rises

SBV backs to injection

In 42W25 (from 13 to 17 October), the SBV returned to net liquidity injection after a strong withdrawal in the previous week, as liquidity conditions in the banking system tightened. Specifically, the SBV injected a total of VND8.57tn into the system, mainly through repo operations by issuing VND60.00tn of new repos while VND51.43tn matured.

Interbank curve flattened

This week on the interbank market, the curve flattened as short-term rates surged while longer tenors remained largely unchanged. Specifically, actively traded tenors such as the overnight, 1-week, 2-week, and 1-month rates increased by 60bps, 50bps, 47bps, and 37bps, respectively, to 5.20%, 5.33%, 5.40%, and 5.43%. Meanwhile, average trading volume climbed to VND1,268.86tn, up 6.46% from the previous week, reflecting rising funding demand across the interbank system toward year-end.

USDVND stays flat

This week, USDVND remained nearly unchanged, inching up by 0.01% on Friday. Globally, the DXY weakened by 0.55% WoW as shifting U.S.-China trade sentiment and dovish comments from Fed officials solidified market expectations for an October rate cut. Domestically, the USDVND edged up to 26,342 on Friday, as foreign investors extended their net-selling streak for over two months, offloading VND4.84tn, or 2.22% of HOSE trading value.

Vietnam economic indicators

	25-Apr	25-May	25-Jun	25-Jul	25-Aug	25-Sep	Corr.
Disbursed FDI %YoY	7.8	9.6	8.8	10.1	12.5	6.8	-0.16
Retail sales %YoY	9.3	9.5	8.3	8.6	10.4	11.3	-0.16
Export %YoY	19.8	17.0	16.3	16.0	14.5	24.7	-0.05
Import %YoY	22.9	14.1	20.2	17.8	17.7	24.9	0.04
Trade balance (USD bn)	0.6	0.6	2.8	2.3	3.7	2.8	-0.03
CPI %MoM	0.07	0.16	0.48	0.11	0.05	0.42	-0.03
Credit %YoY	17.6	18.5	16.8	19.1	19.9	19.6	-0.23
USDVND %MoM	1.64	0.15	0.30	0.39	0.55	0.00	-0.30
PMI (pts)	45.6	49.8	48.9	52.4	50.4	50.4	-0.09
VNINDEX return (%)	-6.1	9.2	3.5	9.3	12.1	-1.2	1.00

Source: SBV, GSO, Bloomberg, KIS
[1] Correlation to VNINDEX's monthly return
Green = acceleration; yellow = deceleration; red = contraction.

Contents

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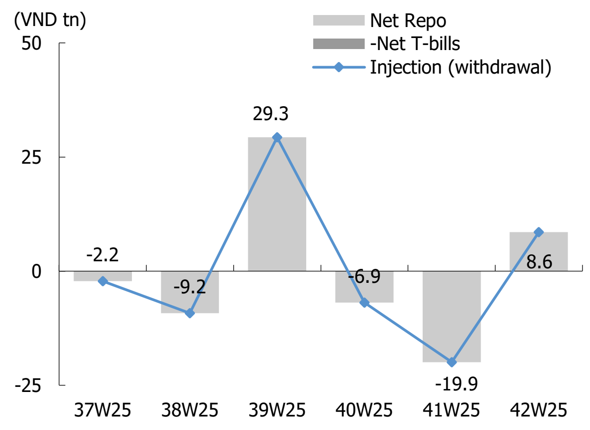
I. SBV backs to injection

SBV returns to net liquidity injection

In 42W25 (from 13 to 17 October), the SBV returned to net liquidity injection after a strong withdrawal in the previous week, as liquidity conditions in the banking system tightened. Specifically, the SBV injected a total of VND8.57tn into the system, mainly through repo operations by issuing VND60.00tn of new repos while VND51.43tn matured.

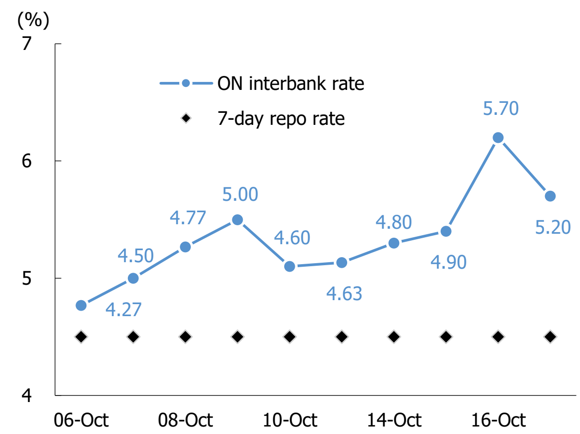
These developments indicate mounting liquidity pressures in the interbank market, prompting the SBV to act in order to ease short-term funding strains. In the coming weeks, we expect the SBV to remain focused on ensuring smooth market functioning, especially as year-end typically brings higher liquidity demand from banks seeking to accelerate credit disbursement.

Figure 1. Net injection (withdrawal) of liquidity



Source: SBV, KIS

Figure 2. Interest rate corridor



Source: SBV, KIS

Figure 3. Repo transactions: 7 days tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
13-Oct-25	20-Oct-25	7	2.00	4.00
14-Oct-25	21-Oct-25	7	1.00	4.00
15-Oct-25	22-Oct-25	7	4.00	4.00
16-Oct-25	23-Oct-25	7	5.00	4.00
17-Oct-25	24-Oct-25	7	5.00	4.00
Total		**7**	**17.00**	**4.00**

Source: SBV, KIS

Figure 4. Repo transactions: 14 days tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
13-Oct-25	27-Oct-25	14	2.00	4.00
14-Oct-25	28-Oct-25	14	3.00	4.00
15-Oct-25	29-Oct-25	14	3.00	4.00
16-Oct-25	30-Oct-25	14	4.00	4.00
17-Oct-25	31-Oct-25	14	1.00	4.00
Total		**14**	**13.00**	**4.00**

Source: SBV, KIS

Figure 5. Repo transactions: 28 days tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
13-Oct-25	10-Nov-25	28	5.00	4.00
14-Oct-25	11-Nov-25	28	2.00	4.00
15-Oct-25	12-Nov-25	28	4.00	4.00
16-Oct-25	13-Nov-25	28	8.00	4.00
17-Oct-25	14-Nov-25	28	3.00	4.00
Total		**28**	**22.00**	**4.00**

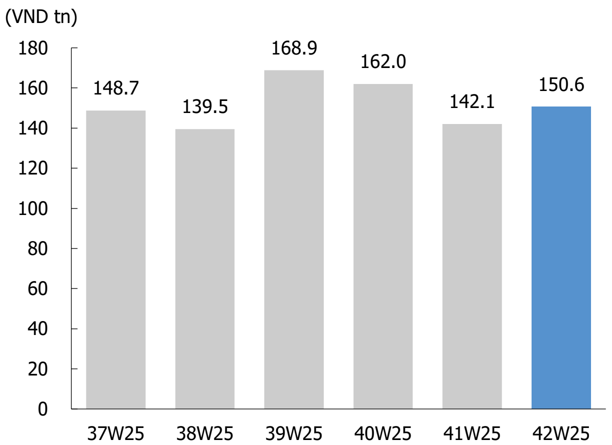
Source: SBV, KIS

Figure 6. Repo transactions: 91 days tenor

Issue date	Maturity Date	Tenor (days)	Amount (VNDtn)	Yields (%)
13-Oct-25	12-Jan-26	91	1.00	4.00
14-Oct-25	13-Jan-26	91	1.00	4.00
15-Oct-25	14-Jan-26	91	2.00	4.00
16-Oct-25	15-Jan-26	91	3.00	4.00
17-Oct-25	16-Jan-26	91	1.00	4.00
Total		**91**	**8.00**	**4.00**

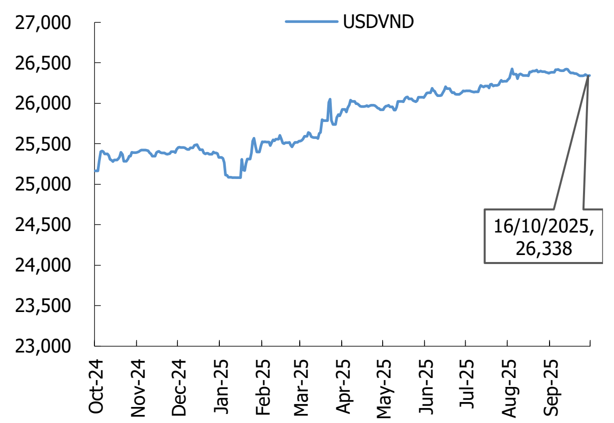
Source: SBV, KIS

Figure 7. Outstanding amount of repos



Source: SBV, KIS

Figure 8. USDVND movement



Source: SBV, KIS

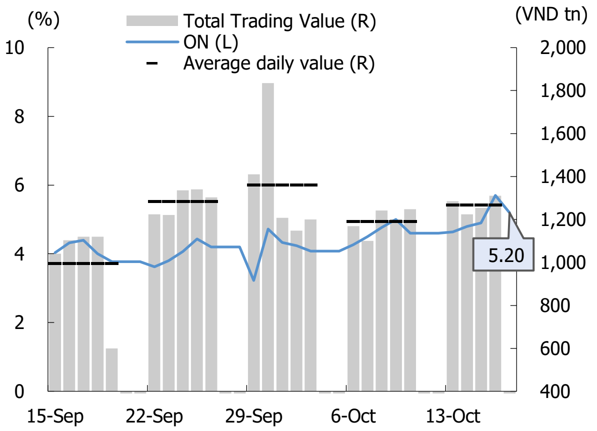
II. Interbank curve flattened

Short-term interbank rates increase sharply

This week on the interbank market, the curve flattened as short-term rates surged while longer tenors remained largely unchanged. Specifically, actively traded tenors such as the overnight (ON), 1-week (1W), 2-week (2W), and 1-month (1M) rates increased by 60bps, 50bps, 47bps, and 37bps, respectively, to 5.20%, 5.33%, 5.40%, and 5.43%. Meanwhile, average trading volume climbed to VND1,268.86tn, up 6.46% from the previous week.

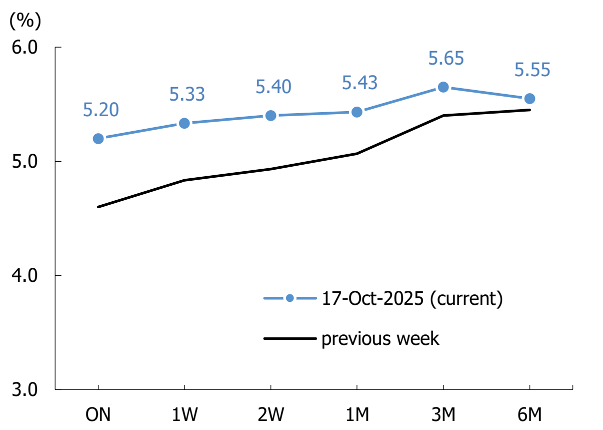
These dynamics suggest that liquidity conditions are tightening, with the ON rate hovering near 5% and other short-term tenors also trending higher. As credit growth reached over 13% as of September—well above previous years—the banking system appears on track to meet this year's lending targets. This implies that banks are accelerating loan disbursements while maintaining the SBV's prudential ratios, driving both higher interbank trading volumes and upward pressure on rates. Given that year-end is typically a period of intensified credit disbursement, liquidity will likely remain under pressure, pushing up short-term funding demand. As a result, interbank rates could face further upside in the coming weeks, and the SBV may continue its stance to net liquidity injection as repo outstanding has declined notably compared to earlier periods.

Figure 9. Interbank daily transaction



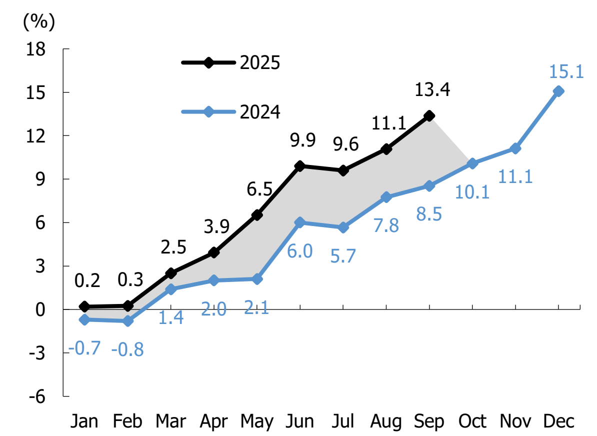
Source: SBV, Bloomberg, KIS

Figure 10. Interbank rate curve



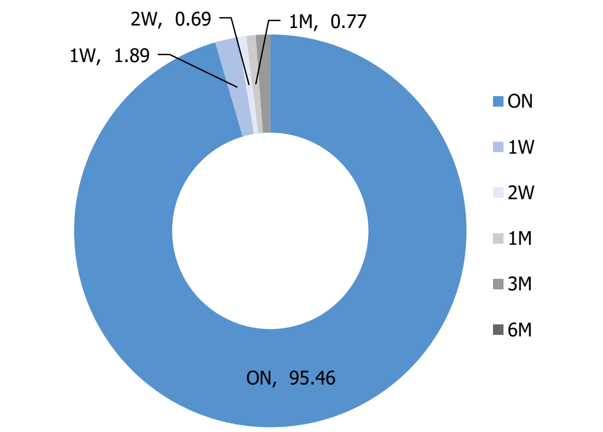
Source: SBV, Bloomberg, KIS

Figure 11. Credit growth by month of the year



Source: SBV, Bloomberg, KISVN
Note: Updated by September, 2024

Figure 12. Interbank transaction structure



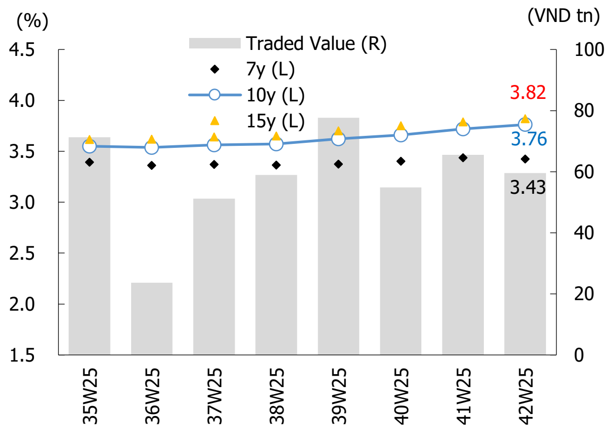
Source: SBV, Bloomberg, KISVN

III. G-bond yields up

G-bond yields increase across all tenors

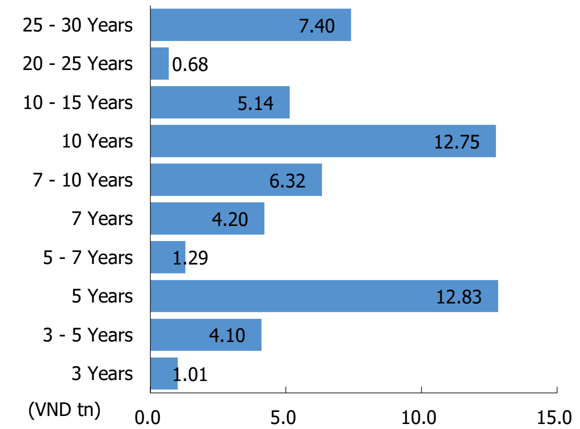
In 42W25, secondary-market G-bond yields rose across all maturities, accompanied by a slight drop in trading value. In detail, the 5-year, 10-year, 15-year, 20-year, and 30-year yields rose by 2bps, 4bps, 3bps, 3bps, and 3bps, respectively, to 3.15%, 3.76%, 3.82%, 3.83%, and 3.89%. Meanwhile, 7-year yields decreased by 1bp to 3.43%. Total trading value was VND59.50tn, down 9.13% from the previous week and averaging VND11.90tn per day, reflecting continued but easing selling pressure as markets anticipate that the VST will accelerate issuance in the remainder of the year.

Figure 13. G-bond traded value by week



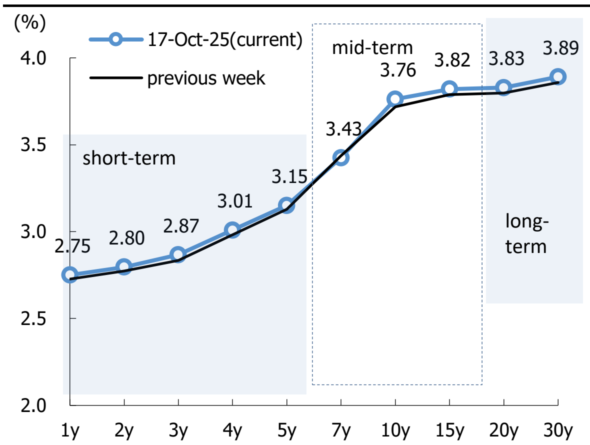
Source: HNX, Bloomberg, KIS

Figure 14. G-bond traded value by tenor



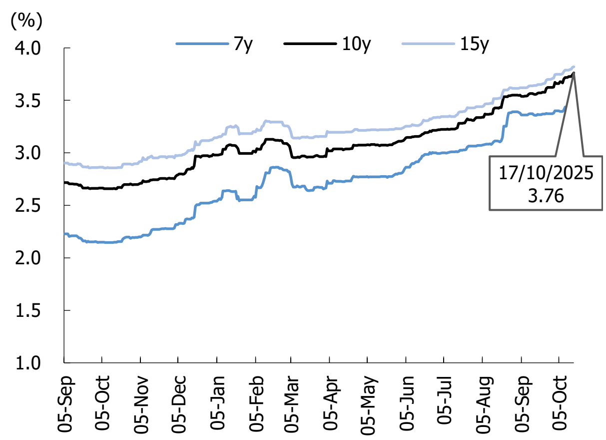
Source: HNX, Bloomberg, KIS

Figure 15. G-bond trading yield curve



Source: HNX, VBMA, KIS

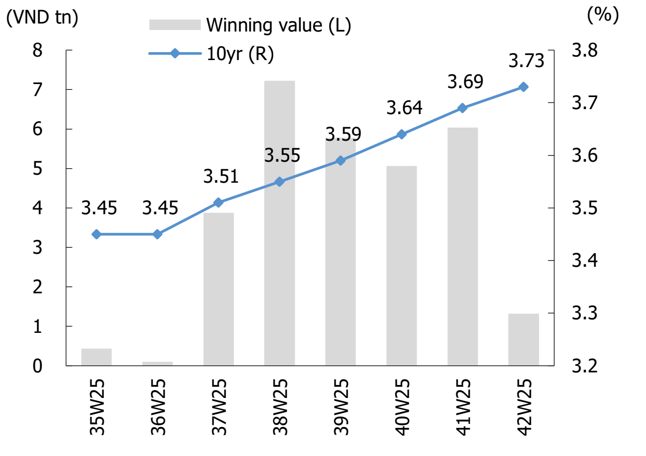
Figure 16. Historical daily government bond yields



Source: HNX, VBMA, KIS

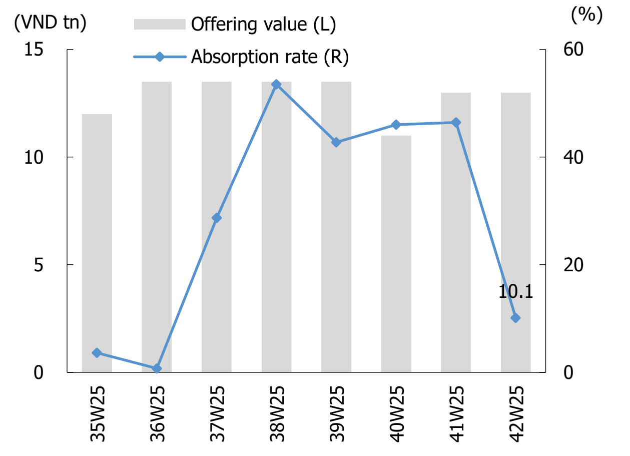
On the primary market, the 10-year yield rose 4bps to 3.73%, while the winning value sharply decreased by 78.18% from the prior week, indicating a sharp drop in demand. To date, the VST has issued VND268.11tn, completing 53.6% of the full-year target and well behind the 72.80% pace in 2024. With just over 2 months left in 2025, issuance pressure is intensifying which could drive G-bond yields higher and prompt investors to liquidate off-the-run bonds in the secondary market.

Figure 17. Weekly winning values



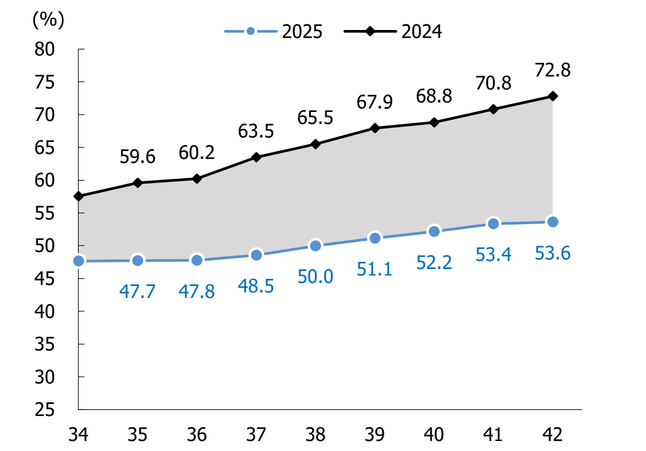
Source: HNX, KIS

Figure 18. Weekly absorption rate



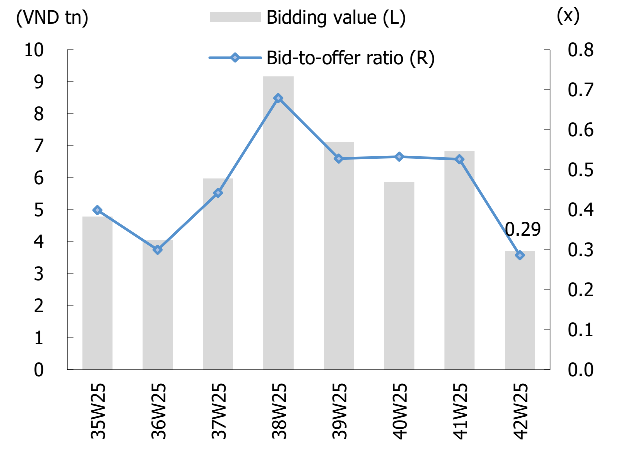
Source: HNX, KIS

Figure 19. Completion ratio by week-of-the-year



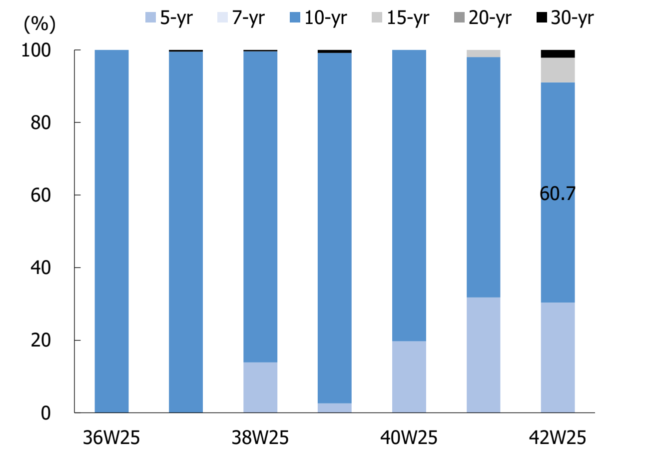
Source: HNX, KIS

Figure 20. Weekly bid-to-offer ratio



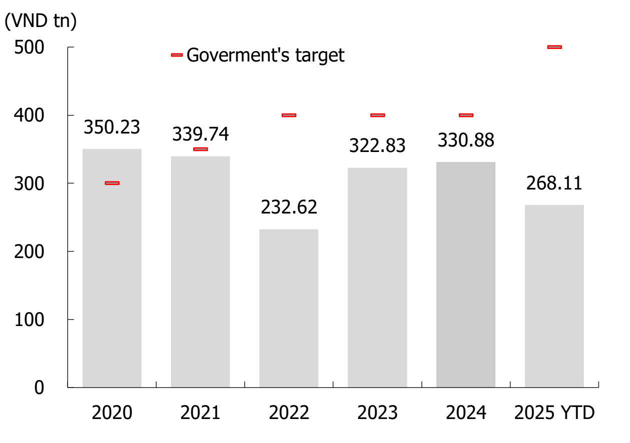
Source: HNX, KIS

Figure 21. Weekly winning G-bond structure



Source: HNX, KIS

Figure 22. Yearly issued amount of G-bond



Source: HNX, KIS

IV. USDVND stays flat

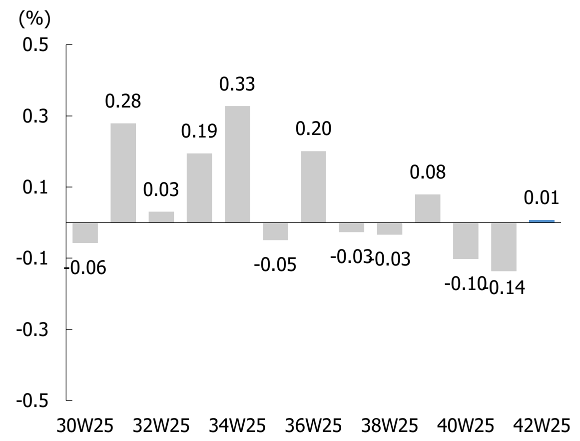
The greenback weakens amid growing Fed rate cut expectations

This week, USDVND remained nearly unchanged, inching up by 0.01% (2 ppts) on Friday.

Globally, the DXY weakened by 0.55% over the week as sentiment fluctuated based on mixed U.S.-China trade signals, with President Trump initially sounding conciliatory before criticizing China for not purchasing U.S. soybeans. However, the dominant factor weighing on the dollar was the growing certainty of a Federal Reserve rate cut, fueled by dovish comments from officials. Markets are now pricing in a 100% probability of a 25bps cut at the upcoming FOMC meeting. Domestically, the USDVND edged up to 26,342 on Friday, as foreign investors extended their net-selling streak for over two months, offloading VND4.84tn, or 2.22% of HOSE trading value.

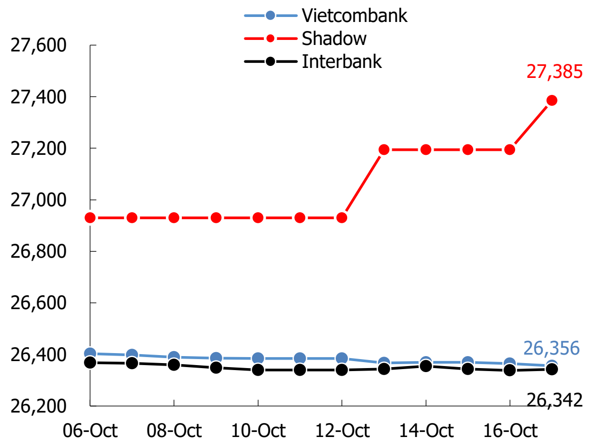
Across FX segments, Vietcombank's USDVND ask rate fell by 0.11% (28ppts), while the shadow market climbed notably by 1.69% (455ppts). As of Friday, ask prices stood at 26,356 at Vietcombank and 27,385 in the shadow market.

Figure 23. Weekly USDVND performance



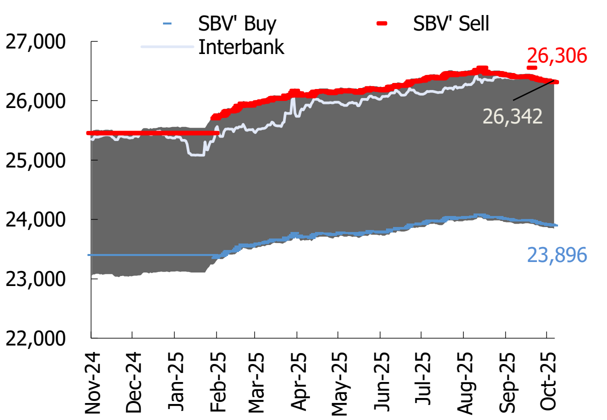
Source: Bloomberg, KIS

Figure 24. VCB & shadow market USDVND spread



Source: SBV, Vietcombank, KIS

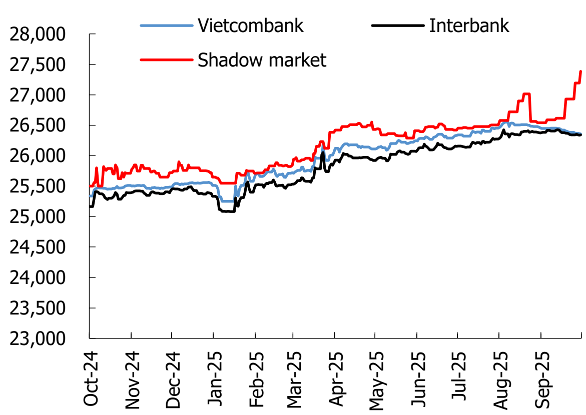
Figure 25. SBV's movement



Source: SBV, Bloomberg, Fiinpro, KIS

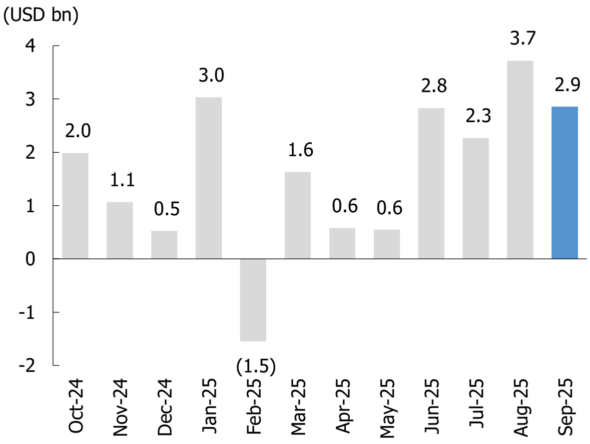
Note: shaded region is the daily trading band. The effective trading band is +/- 5% (the effective date is 17 October, 2022).

Figure 26. USDVND by market



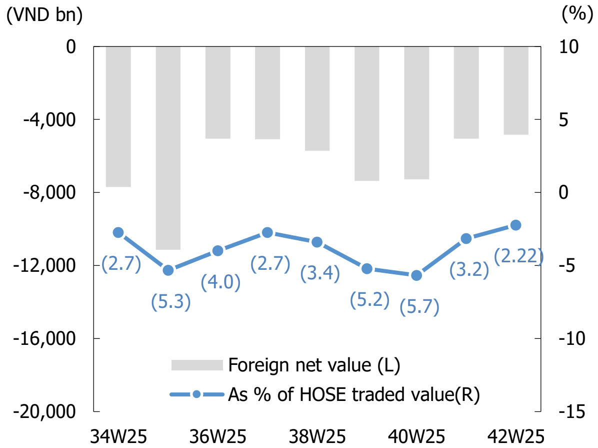
Source: SBV, Bloomberg, KIS

Figure 27. Vietnam's trade balance by month



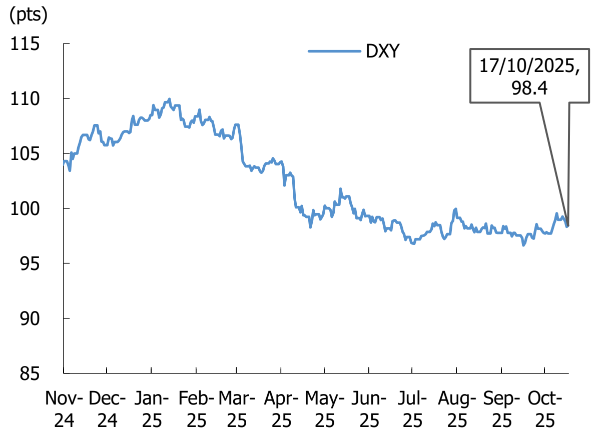
Source: GSO, KIS
Note: Updated until 06 October , 2025

Figure 28. Trading of the foreign bloc in Vietnamese stock market



Source: Fiinpro, KIS

Figure 29. Historical DXY



Source: Bloomberg, KIS

Figure 30. Weekly change of USDVND and peers

		40W25	41W25	42W25	2025 YTD
China	USDCNY	-0.17	0.18	-0.12	-2.36
EU	USDEUR	-0.33	1.06	-0.31	-11.16
Mexico	USDMXN	0.17	1.03	-1.17	-11.53
Vietnam	USDVND	-0.10	-0.14	0.01	3.35
Canada	USDCNY	0.13	0.39	0.10	-2.81
Taiwan	USDTWD	-0.50	0.52	0.44	-6.74
Japan	USDJPY	-1.35	2.52	-0.38	-4.19
South Korea	USDKRW	-0.29	1.35	-0.22	-3.38
Thailand	USDTHB	0.47	1.01	-0.18	-4.21
DXY	U.S. Dollar Index	-0.44	1.28	-0.55	-9.27

Source: SBV, Bloomberg
Note: Green = appreciation; yellow = appreciate at slower pace; red = depreciation.

Macro scorecard

	25-May	25-Jun	25-Jul	25-Aug	25-Sep	4Q24	1Q25	2Q25	3Q25	2021	2022	2023	2024
Real GDP growth (%)						7.55	7.05	8.19	8.23	2.58	8.02	5.05	7.09
Registered FDI (USD bn)	2.82	3.14	2.57	2.05	2.40	13.44	10.98	10.54	7.02	31.15	27.72	36.61	38.23
GDP per capita (USD)										3,725	4,110	4,285	4,479
Unemployment rate (%)						2.22	2.20	2.22	2.22	3.22	2.32	2.26	2.24
Export (USD bn)	39.60	39.49	42.27	43.39	42.67	105.9	102.84	110.62	118.38	335.7	371.85	355.5	405.5
Import (USD bn)	39.04	36.66	40.00	39.67	39.82	101.9	99.68	118.83	120.19	331.1	360.65	327.5	380.8
Export growth (%)	17.00	16.31	15.95	14.50	24.73	11.46	10.64	10.62	18.38	18.74	10.61	-4.4	14.3
Import growth (%)	14.13	20.16	17.77	17.71	24.88	14.91	17.03	18.83	20.19	25.9	8.35	-8.9	16.7
Inflation (%)	3.12	3.57	3.19	3.24	3.38	2.87	3.22	3.31	3.27	1.84	3.15	3.25	3.63
USDVND	25,983	26,121	26,199	26,345	26,427	25,386	25,565	26,121	26,427	22,790	23,650	23,784	25,386
Credit growth (%)	18.53	17.48	19.12	19.91	19.61	13.8	16.3	17.48	19.61	13.61	14.2	13.7	13.8
10Y gov't bond (%)	3.20	3.34	3.45	3.69	3.76	2.94	3.06	3.34	3.76	2.11	5.08	2.39	2.94

Source: GSO, Bloomberg, FIA, IMF

Appendix

Figure 1. Vietnam's balance of payment (USD bn)

	2022	2023	2Q24	3Q24	4Q24	1Q25
Current account	(1.1)	25.1	4.5	7.8	7.5	4.0
Goods, credit (exports)	371.3	354.7	97.9	108.2	105.9	102.8
Goods, debit (imports)	345.6	310.7	89.3	94.6	97.0	94.9
Balance on goods	25.7	44.0	8.5	13.6	8.9	7.9
Services, credit (exports)	12.9	19.6	5.5	5.9	6.6	7.6
Services, debit (imports)	25.5	29.1	8.3	9.8	9.6	9.2
Primary income, credit	2.3	4.6	1.4	1.4	1.4	1.3
Primary income, debit	22.0	27.0	5.4	6.1	3.8	7.2
Secondary income, credit	12.2	16.1	3.8	3.9	5.1	4.6
Secondary income, debit	6.7	3.1	1.1	1.0	1.0	1.1
Financial account	(9.5)	(2.8)	(6.3)	(2.7)	0.3	(3.5)
Direct investment, assets	2.7	1.6	(0.1)	(0.2)	(0.2)	(0.3)
Direct investment, liabilities	17.9	18.5	5.0	5.2	6.4	4.0
Portfolio investment, assets	(0.0)	0.0	0.0	(0.1)	0.0	0.0
Portfolio investment, liabilities	1.5	(1.2)	(1.6)	(0.8)	(2.0)	(1.0)
Other investment, assets	13.7	(14.3)	(5.2)	(2.6)	(4.3)	(3.5)
Other investment, liabilities	6.4	(7.4)	(4.4)	(4.2)	0.4	(2.7)
Net errors and omissions	(31.1)	(16.6)	(4.3)	(5.1)	(9.4)	(2.1)
Reserves and related items	(22.7)	(5.6)	6.1	(0.1)	1.7	1.7

Source: SBV, IMF, KIS

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